

Message Text

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ACTION EUR-12

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FM AMEMBASSY LONDON
TO SECSTATE WASHDC 3894
INFO AMEMBASSY BONN
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AMEMBASSY ROME
AMEMBASSY THE HAGUE
USMISSION EC BRUSSELS
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PASS TREASURY; DEPARTMENT OF LABOR

E.O. 11652: N/A
TAGS: EIND. UK
SUBJECT: INDUSTRIAL DEMOCRACY -- HMGVERNMENT MOVES
CAUTIOUSLY

SUMMARY: SPEAKING SEPARATELY TO A THREE-DAY CONFERENCE
OF HIGH LEVEL CORPORATION MANAGERS,INDUSTRY SECRETARY ERIC
VARLEY AND EMPLOYMENT SECRETARY ALBERT BOOTH BOTH INDICAT-
ED THAT FLEXIBILITY WOULD BE THE TOUCHSTONE OF THE FORTH-

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COMING WHITE PAPER ON INDUSTRIAL DEMOCRACY THERE WAS A
TACIT RECOGNITION IN THEIR REMARKS THAT THE RECOMMENDA-
TIONS PUT FORWARD BY THE BULLOCK COMMITTEE COULD NOT BE
IMPLEMENTED TO THE LETTER. END SUMMARY.

1. ERIC VARLEY. SECRETARY OF STATE FOR INDUSTRY. SAID
THAT INDUSTRIAL DEMOCRACY WAS A GOAL TOWARD WHICH INDUS-

TRY MUST MOVE. SOME FIRMS HAD SUCCESSFULLY INTRODUCED A DEGREE OF WORKER PARTICIPATION IN THEIR OPERATIONS, AND THE BULLOCK COMMITTEE RECOMMENDATIONS WERE DESIGNED TO FURTHER THAT PROCESS. HOWEVER, ACCORDING TO VARLEY, IF THESE RECOMMENDATIONS COULD NOT BE LEGISLATED, INDUSTRIAL DEMOCRACY SHOULD STILL "GO AHEAD ON A VOLUNTARY BASIS."

2. ALBERT BOOTH, IN A SEPARATE SESSION, MADE MANY OF THE SAME POINTS. HE SAID THAT HE DIDN'T WANT TO CONFINE COMPANIES TO A LEGAL STRAIT JACKET. RATHER, HE BELIEVED THAT THEY SHOULD HAVE THE MAXIMUM FLEXIBILITY TO TAILOR WORKER PARTICIPATION ARRANGEMENTS TO THEIR PARTICULAR NEEDS. HE FELT THAT LEGISLATION WOULD BE NEEDED, BUT ADDED THAT IT MUST FLOW FROM A SPIRIT OF COOPERATION BETWEEN INDUSTRY AND TRADE UNIONS.

3. OTHER CONFERENCE PARTICIPANTS INCLUDED CBI DIRECTOR GENERAL JOHN METHVEN, AND TORY MPS JAMES PRIOR AND JOHN BIFFEN. PRIOR, WHO IS SHADOW EMPLOYMENT SECRETARY, SAID THAT A FUTURE TORY GOVERNMENT WOULD INSIST THAT UNIONS "PUT THEIR HOUSES IN ORDER" BEFORE ANY STANDBY LEGISLATION ON INDUSTRIAL DEMOCRACY WOULD BE CONSIDERED. METHVEN SAID THAT CBI, WHILE VIGOROUSLY ATTACKING THE BULLOCK PROPOSALS, HAD REFRAINED FROM EXPLOITING TRADE UNION DISAGREEMENTS OVER THE FORM AND EXTENT OF INDUSTRIAL DEMOCRACY IN ORDER TO PREVENT A UNITED UNION FRONT IN SUPPORT OF THE BULLOCK RECOMMENDATIONS. HE WAS CONFIDENT THAT THE BULLOCK PROPOSALS WILL NEVER BE ADOPTED AS IS.

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4. COMMENT: IN QUESTION PERIODS AND BETWEEN THE SESSIONS, GOVERNMENT REPRESENTATIVES APPEARED TO BE TAKING A MORE CAUTIOUS APPROACH TO THE BULLOCK MAJORITY PROPOSALS. HMG, HOWEVER, IS SADDLED BY ITS PROMISE TO PRODUCE A WHITE PAPER ON INDUSTRIAL DEMOCRACY DURING THIS SESSION. ITS EFFORTS TO OBTAIN TRADE UNION AGREEMENT ON SOME FORM OF THIRD-YEAR INCOMES POLICY MAY ALSO BE A PROD TO PRODUCE A WHITE PAPER. WHILE SHOP FLOOR INTEREST IN THE BULLOCK PROPOSALS MAY BE LIMITED, KEY UNION LEADERS LIKE JONES AND MURRAY ATTACH GREAT IMPORTANCE TO THEM. HOWEVER, IF THE VIEWS PUT FORWARD AT THIS CONFERENCE ARE AN INDICATION, IT IS POSSIBLE THAT THE PROPOSALS CONTAINED IN ANY WHITE PAPER MAY BE BIASED TOWARD FLEXIBILITY RATHER THAN THE MORE RIGID BULLOCK MAJORITY APPROACH. THIS LABOR GOVERNMENT'S PREVIOUS RECORD ON ISSUES SUCH AS EQUITY PARTICIPATION IN NORTH SEA OIL, PLANNING AGREEMENTS, AND THE NATIONAL ENTERPRISE BOARD SUPPORTS THIS KIND OF OUTCOME. EACH OF THOSE BEGAN AS A RATHER EXTREME PROPOSAL, COUCHED IN THE RHETORIC OF THE LABOR PARTY LEFT, AND

EMERGED IN GREATLY WATERED DOWN FORM WHEN FINALLY ENACTED.
BULLOCK IS NOT LIKELY TO BE ANY DIFFERENT.

SPIERS

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 13-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Disposition Remarks:
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